

April 1, 2011

Hon. Shawna Bushhorn
Ripley County Assessor
Ripley County Courthouse
115 North Main Street
Versailles, Indiana 47042

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Re: Ripley County 2011 Ratio Study

Dear Barry,

Our 2011 ratio study is now complete and ready for your approval.

Included in this submission is:

- 1.) Narrative - *Ripley 2011 Ratio Study Narrative.doc*
- 2.) Ratio Study - *Ripley 2011 Ratio Study.xls*
- 3.) Sales invalidated as a result of ratio study analysis - *Invalidated Sales.xlsx*

Methodology

The sales comparison method was used to analyze and make market based adjustments where appropriate to residential and commercial assessed values, in Ripley County for 2011. The assessments were derived using the Real Property Assessment Guidelines for 2002-Version A. A careful analysis of local market conditions indicate that no time adjustments to the 2008 or 2009 sales are warranted. Every effort was made to use all valid sales including multiple parcel sales and vacant land sales subsequently improved. The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to and grouped with similar neighborhoods. The criteria for comparison were geographic location, similarity of land size, improvement type and age, and any other factors deemed relevant. Comparisons were also made between townships and the county as a whole to insure equity of assessment level.

Commercial - Improved and Vacant

The sales used to analyze improved commercial properties were expanded to include 2008 and 2009; of which there were 12 total sales. All townships were grouped together for the study.

There was only one valid commercial vacant sale that occurred from 2006 to 2011. An analysis was performed to verify that in all cases, commercial land values were greater than or equal to the corresponding residential land values.

Industrial - Improved and Vacant

There have been no valid improved industrial sales from 2006 to 2011.

There have been no valid vacant industrial sales within that same timeframe.

The industrial real estate market in Ripley County continues to suffer from a prolonged lack of demand as evidenced by the absence of activity since 2006. As a result, no market based conclusions could be developed for these classes of property.

An analysis was however performed to verify that in all cases, industrial land values were greater than or equal to the corresponding residential land values.

Residential - Improved and Vacant

The sales used to analyze vacant residential properties were expanded to include 2009. Similar townships were grouped for analysis. The market indicates that rural excess residential acreage values were understated for Washington, Franklin, Delaware, Johnson, Jackson, Otter Creek and Shelby Townships.

The following changes were made to residential land:

- 1.) Neighborhood 5,993,000 – Excess acreage was changed from \$1,500 to \$5,000 per acre.
- 2.) Neighborhood 5,994,010 – Excess acreage was changed from \$1,500 to \$5,500 per acre.

The sales used to analyze improved residential properties were expanded to include 2009.

The following changes were made to residential improvements:

1. Neighborhood 5,993,000 – Trending factor was changed from 116 to 106.